

August 18, 1972

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Dear Mr. Ream:

John Ehrlichman has asked me to respond to your letter of June 30, 1972, regarding the problems of the construction business in the Trust Territory of the Pacific Islands.

We have asked the Secretary of the Interior to consult with the High Commissioner of the Trust Territory of the Pacific Islands on the substance of your letter and I am sure that you can look forward to hearing from his office directly.

I note that it is the continuing policy of the Trust Territory of the Pacific Islands Government to give every encouragement to local construction firms, and in accordance with this policy, the High Commissioner gives local Micronesian firms first priority. The United States is charged with the responsibility of developing the local economy in the Trust Territory and it has been the High Commissioner's intent to encourage local construction firms to the greatest possible extent. I am certain that you will agree with this policy.

However, since local firms, as yet, do not have the capacity to undertake large-scale projects such as major water, sewerage, utility construction, and hospital construction projects, outside bids for these larger contracts must be solicited. Wherever feasible, first consideration is given to construction companies from the United States, and the series of awards given to your firm in the Marshalls during the past two years is evidence of this policy.

Your interest and concern in the Trust Territory is appreciated. Please let us know if you remain unsatisfied with the resolution of the particular matter raised in your letter.

Sincerely,

Richard M. Fairbanks
Staff Assistant to the President

Mr. Norman L. Ream
President
American International Constructors, Inc.

cc: John Ehrlichman